



Table 2: Regression Results

SUMMARY OUTPUT

<i>Regression Statistics</i>	
Multiple R	0.91
R Square	0.83
Adjusted R Square	0.83
Standard Error	30,018,198
Observations	1,085

ANOVA

	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	3	4.71752E+18	1.57251E+18	1745.111875	0
Residual	1081	9.74081E+17	9.01092E+14		
Total	1084	5.6916E+18			

	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>
Intercept	(154,966)	1,171,504	(0.13)	0.89	(2,453,647)	2,143,715
Annual Operating Profit	4.81	0.07	67.82	-	4.67	4.95
Density	(21,072)	4,850	(4.34)	0.00	(30,589)	(11,555)
Square Miles	(163)	26	(6.27)	0.00	(215)	(112)



Table 3: Calculation of Gaston County Cable Operating Profit

Gaston County Customers	
Gaston County Households [1]	69,200
Wired Cable Penetration Rate [2]	<u>70%</u>
Estimated Cable Customers	48,440
Annual Cable Operating Profit per User	
Monthly ARPU	\$44.08
Annual ARPU [3]	\$529.00
Operating Margin [4]	<u>45.7%</u>
Operating Profit per User	\$241.68
Gaston County Operating Profit (in millions)	\$11.7

Notes:

- [1] Gaston County, North Carolina. Number of households estimated as of 1/1/99. Source: *2000 Rand McNally Commercial Atlas and Marketing Guide*.
- [2] Source: *2000 Television and Cable TV Factbook*. The ratio of 'basic subscribers' to 'homes passed'. Homes passed refers to homes which can be connected to a provider's distribution system without further extending the transmission lines. 70% is the average U.S. subscription ratio for the 50 states.
- [3] Source for ARPU is the annual revenue per subscriber estimate for 1999, as reported in the FCC's *Sixth Annual Assessment of the Status of Competition in the Markets for the Delivery of Video Programming*.
- [4] Source for operating margin is the FCC's *Sixth Annual Assessment of the Status of Competition in the Markets for the Delivery of Video Programming*. Operating margin is the operating cash flow per subscriber divided by the total revenue per subscriber.

VITA

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**PAPERS AND
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"The Technology of Risk and Return, Comment," American Economic Review (June, 1981).

"Self-Selection and the Pricing of Bank Services, An Analysis of the Market for Bank Loan Commitments and the Role of Compensating Balance Requirements," Journal of Financial and Quantitative Analysis (December, 1981).

"An Analysis of Bank Loan Rate Indexation," Journal of Finance (June, 1982).

"An Analysis of the Impact of Deposit Rate Ceilings on the Market Values of Thrift Institutions," Journal of Finance (December, 1982) (with L.Y. Dann.)

"Pricing Alternatives for Loan Commitments: A Note," Journal of Bank Research (Winter, 1983).

"An Analysis of Intra-industry Differences in the Effect of Regulation: The Case of Deposit Rate Ceilings," Journal of Monetary Economics (August, 1983).

"Is Illiquidity a Bar to Buying Small Cap Stocks?" Journal of Portfolio Management (Summer, 1983) (with R.O. Edmister).

"The Relation Between Common Stocks Returns, Trading Activity and Market Value," Journal of Finance (September, 1983) (with R.O. Edmister).

"Regulation and the Determination of Bank Capital Changes: A Note," Journal of Finance (December, 1983) (with J.K. Dietrich).

"An Analysis of the Effect of State Acquisition Laws on Managerial Efficiency; The Case of Bank Holding Company Acquisitions," Journal of Law and Economics (April, 1984). Abstracted in Regulation as "Do Corporate Takeovers Keep Managements Lean?" (May/June, 1984).

"The Effect of Interest Rate Changes on the Common Stock Returns of Financial Institutions," Journal of Finance (September, 1984) (with M.J. Flannery).

"Market Evidence on the Effective Maturity of Bank Assets and Liabilities," Journal of Money, Credit and Banking (November, 1984) (with M.J. Flannery). Presented at the American Finance Association meetings in San Francisco (December, 1983).

"A VARMA Analysis of the Causal Relations Among Stock Returns, Real Output and Nominal Interest Rates," Journal of Finance (Dec, 1985) (with S. Koreisha and M. Partch).

"Access to Deposit Insurance, Insolvency Rules and the Stock Returns of Financial Institutions," Journal of Financial Economics (July 1986), (with J. Brickley).

"The Takeover Market, Corporate Board Composition, and Ownership Structure: The Case of Banking," (with J. Brickley), Journal of Law and Economics (April, 1987).

"Returns to Acquirers and Competition in the Acquisition Market: The Case of Banking," Journal of Political Economy (April, 1987) (with P. Wier).

"An Analysis of FDIC Failed Bank Auctions," Journal of Monetary Economics (July, 1987) (with P. Wier).

"Some Evidence on the Uniqueness of Bank Loans," Journal of Financial Economics (December, 1987).

"The Use of Loan Sales and Standby Letters of Credits by Commercial Banks," Journal of Monetary Economics (November, 1988).

"Empirical Evidence on Implicit Guarantees of Bank Foreign Loan Exposure," Carnegie Rochester Conference Series on Public Policy (April, 1989).

"Heterogenous Creditors and the Market Value of Bank LDC Loan Portfolios," Journal of Monetary Economics (December, 1990).

"Borrowing Relationships, Intermediation and the Cost of Issuing Public Securities," (with P. Wier) Journal of Financial Economics (November, 1990).

"The Losses Realized in Bank Failures," Journal of Finance (September, 1991).

"Relationship-Specific Assets and the Pricing of Underwriter Services," Journal of Finance (December, 1992).

"Management and Organizational Changes in Banking: A Comparison of Regulatory Intervention with Private Creditor Actions in Nonbank Firms," Carnegie Rochester Conference Series on Public Policy, (1993) (with J. Houston)

"The Information Content of Distressed Restructurings involving Public and Private Debt Claims," (with D. Brown and B. Mooradian) Journal of Financial Economics (February, 1993).

"Asset Sales by Financially Distress Firms," (with D. Brown and R.M. Mooradian) Journal of Corporate Finance, (April, 1994).

"When Do Banks Take Equity in Debt Restructurings?", Review of Financial Studies, (Winter, 1995).

"CEO Compensation and Bank Risk: Is Compensation Structured in Banking Structured to Promote Risk-Taking?", Journal of Monetary Economics, (November, 1995).

“Bank Debt Restructurings and the Composition of Exchange Offers in Financial Distress”, Journal of Finance, (June, 1996).

“Bank Information Monopolies and the Mix of Private and Public Debt Claims”, with J. Houston) Journal of Finance, (December, 1996).

“Capital Market Frictions and the Role of Internal Capital Markets in Banking” (with J. Houston and D. Marcus) Journal of Financial Economics, (November, 1997).

“Do Bank Internal Capital Markets Promote Lending?”, (with J. Houston), Journal of Banking and Finance, (November, 1998).

“Do Relationships Have Limits? Banking Relationships, Financial Constraints and Investment” (with J. Houston), Forthcoming 2000, Journal of Business

“Where do Merger Gains Come From? Bank Mergers From the Perspective of Insiders and Outsiders.” (with J. Houston and M. Ryngaert) Forthcoming 2001, Journal of Financial Economics.

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CURRENT RESEARCH:

“Bank Lending and the Menu of Financing Options”, working paper (with C. Hadlock) (under revision Third Revision at Journal of Finance).

“Do Changes in Analyst Coverage Explain the Bias in Consensus Forecasts?” work in progress.

“Explaining the Performance of Bank Sponsored Mutual Funds: Do Bankers Make Bad Portfolio Managers?” work in progress (with J. Karceski)

“Do 10b5 Suits Keep Management Honest? Evidence From Earnings Forecast Errors” work in progress (with M. Heinz)

“The Effects of Leverage on Operating Performance: An Analysis of Firms' Responses to Poor Performance,” working paper (with M. Ryngaert and D. Brown).

**OTHER PAPERS AND
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"Are Banks Still Special? New Evidence in the Corporate Capital-Raising Process", (with D. Smith), Journal of Applied Corporate Finance Winter 2000

"Why Are Value Enhancing Mergers In Banking So Hard to Find? A Discussion of "Is the Bank Merger Wave of the 90's Efficient? Lessons from Nine Case Studies"" Kaplan, S. (Ed.), Mergers and Productivity, University of Chicago Press, Chicago, IL, (1999).

"Comment on Esty, Narasimhan, and Tufano" Journal of Banking and Finance 23, (1999) 286-290.

"Using Internal Capital Markets to Lower Capital Costs in Banking" (with J Houston) Journal of Applied Corporate Finance, (Summer, 1998).

Discussion of "Financial Institutions and Regulations: The Dilemma in a Deregulated World", Proceedings from Riksbank Conference: Forces for and Implications of Structural Changes in the Financial Sector, June 1997.

"Evolution of Extinction: Where are Banks Headed,?" Journal of Applied Corporate Finance, (with J. Houston) (Summer, 1996).

"RAROC at Bank of America: From Theory to Practice," Journal of Applied Corporate Finance, (Summer, 1996).

"Bank Equity Positions in Distressed Firms," in Anthony Saunders and Ingo Walter, Universal Banking: Financial System Design Reconsidered (Irwin) (1996).

"The Use of Index Amortizing Swaps by Banc One", Journal of Applied Corporate Finance (with C. Smith) (Fall, 1994).

"Private Versus Public Creditor Experience in Distressed Firm Debt Restructurings," with D. Brown and M. Mooradian, in: Edward Altman, ed., Bankruptcy and Distressed Restructurings: Analytical Issues and Investment Opportunities, (Business One Irwin) (1994).

Statement of Christopher James, Professor, College of Business, The University of Florida at Gainesville at Hearing before the Senate Committee on Banking, Housing and Urban Affairs - 102nd Congress, 4/26/91 (BIF Recapitalization)

"Off-Balance Sheet Activities and the Under Investment Problem in Banking," Journal of Accounting, Auditing, and Finance (Spring, 1989).

"The Incidence of Mispriced Deposit Insurance," (presented American Economic Association meetings 1989).

"Are Bank Loans Different?: Some Evidence From the Stock Market," Journal of Applied Corporate Finance (with P. Wier) (Summer, 1988).

"Acquisitions in Banking," Weekly Letter, Federal Reserve Bank of San Francisco.

"Off-Balance Sheet Banking," Weekly Letter, Federal Reserve Bank of San Francisco.

"Are Bank Loans Special?" Weekly Letter, Federal Reserve Bank of San Francisco.

"Off-Balance Sheet Banking," Economic Review, Federal Reserve Bank of San Francisco (Fall, 1987).

"Discussion: The Search for Financial Stability: The Past Fifty Years," Proceedings from the Federal Reserve Bank of San Francisco Conference on the Search for Financial Stability (June, 1985).

"An Analysis of FDIC Failed Bank Auction Procedures," Proceedings of a Conference on Bank Structure and Competition (May, 1985) (with P. Wier).

"Bank Holding Company Acquisitions and Managerial Efficiency," Proceedings of a Conference on Bank Structure and Competition (May, 1984).

"Market Based Measures of Risk for Banks and Savings and Loan Associations," Report prepared for the Federal Home Loan Bank Board (May, 1987).

"An Economic Analysis of Interindustry Acquisitions of Thrift Institutions," A Report prepared for the Office of the Comptroller of the Currency (February, 1982).

"Loan Rate Indexation and the Allocation of Bank Credit," Proceedings of a Conference on Bank Structure and Competition (May, 1980).

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Associate Editor: Journal of Banking and Finance, 1999-present.

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Editorial Board: Federal Reserve Bank of New York: Economic Review

Reviewer: Journal of Finance; Journal of Money, Credit and Banking; Journal of Financial Economics; Journal of Financial Management; Journal of Banking and Finance; Journal of Business and Economics; Journal of Monetary Economics; American Economic Review; Journal of Political Economy; Review of Financial Studies; Journal of Corporate Finance; Journal of Law and Economics; Journal of Accounting and Economics

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Executive Seminars on bank deregulation, valuation, venture capital, strategic management, lender liability, and asset and liability management.

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Consultant to the Office of the Comptroller of the Currency, 1982-1983: Bank and Thrift Mergers.

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